



INVESTMENTS & TREASURY

December 20, 2017

Ms. Arlesa Wood
Bond Analyst
Miami-Dade County Educational Facility Authority
County Finance Department
Metro Dade Center, Room 2550
111 N.W. 1 Street
Miami, Florida 33128

Dear Arlesa:

Attached is the University of Miami's ("University") application for bond financing through the Miami-Dade County Educational Facilities Authority ("Authority") and a check for \$7,000 payable to the Authority. I appreciate your waiving the requirement for a cashier's check. In addition, we have included eight (8) sets of attachments, which include general University information and our most recent audited financial statements. If you need additional information, please let me know.

Attached is an executed Expense and Indemnity Agreement. This agreement is in the same form as was used in connection with our prior financings through the Authority.

Please give me a call if you have any questions. Thank you very much for your help.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jacqueline A. Travisano'.

Jacqueline A. Travisano
Executive Vice President for Business and
Finance and COO

Enclosures

cc: Mark Wolff, Esq., Executive Director, M-DCEFA
Ed Marquez, Deputy Mayor/Finance Director, M-DCEFA
Luis Reiter, Esq., Squire Patton Boggs (US) LLP
Eric Wild, Morgan Stanley (w/out enc)
Mary Jane Darby, Prager & Co., LLC (w/out enc)
Brandon Gilliland, Vice President and Chief Financial Officer (w/out enc)
Charmel Maynard, Associate Vice President and Treasurer (w/out enc)
Aileen M. Ugalde, Esq., Vice President and General Counsel (w/out enc)

Via Courier

**Arlesa Wood
Bond Analyst
DCEFA
County Finance Department
Metro Dade Center, Room 2550
111 N.W. 1 Street
Miami, Florida 33128**

Via Courier

**Luis Reiter
Squire Patton Boggs
200 South Biscayne Boulevard
Suite 4700
Miami, FL 33131-2387**

Via Courier

**Mark Wolff
Educational Facilities Authority
St. Thomas University
School of Law Building, 2nd Floor
16400 N.W. 32nd Ave.
Miami, Florida 33054**

VIA Courier

**Edward Marquez
Finance Director, Miami-Dade County
County Finance Department
Metro Dade Center, Room 2550
111 N.W. 1 Street
Miami, Florida 33128**

**MIAMI-DADE COUNTY (FLORIDA) EDUCATIONAL FACILITIES AUTHORITY
APPLICATION FOR BOND FINANCING**

1. **APPLICANT'S NAME:** University of Miami
- BUSINESS ADDRESS:** Gables One Tower
 1320 S. Dixie Highway, Suite 1230
 Coral Gables, FL 33146
- APPLICANT'S REPRESENTATIVE:** Jacqueline A. Travisano
 Executive Vice President for Business and Finance
 and Chief Operating Officer
 (305) 284-6100
- APPLICANT'S LEGAL COUNSEL:** Luis Reiter, Esq.
 Squires Patton Boggs (US) LLP
 (305) 577-7710

2. **A statement describing the Applicant, its history and operations.**

See Attachment 1 – General Information Regarding UM.

3. **Describe in general terms the proposed project(s).**

New money bonds totaling up to \$250 million (par value) with approximately \$200 million to finance the new Student Housing Village on the University's Coral Gables Campus and approximately \$50 million to finance the new Proton Therapy facility and system located on the University's Medical Campus and working capital. The new Student Housing Village is the 1st phase of a multi-phase housing master plan and will add approximately 1,100 beds on campus. Depending on market conditions and tax law requirements, bonds could be sold on a tax-exempt and/or taxable basis.

As permitted by the Indenture and because of the desire to access the market as soon as possible, the University is considering issuing a portion of the bonds directly (that is not through the Authority), in which case the total par amount of bonds to be issued by the Authority would be reduced and the purposes of the bonds modified as applicable. The University expects to make a final decision with respect to any bonds to be issued directly in the near future and will advise the Authority once that decision has been made. In the meantime, however, the University requests that the Authority include the full par amount set forth in this application for initial approval.

4. **Provide a breakdown of the project costs, including construction, soft costs, acquisition costs and any others.**

| Description | New Money Bonds * |
|----------------------------|----------------------|
| Project Fund | \$250,000,000 |
| Capitalized Interest Fund | 16,290,000 |
| Cost of Issuance | 2,390,000 |
| Underwriter's Discount | 820,000 |
| Additional Funds Generated | 4,000 |
| Total | \$269,504,000 |

**Note that these are preliminary estimates and subject to section 3 above.*

5. **Provide a pro forma Income Statement which details the projected income and expenses for the first three (3) years of the project for the revenue source to be pledged to secure the bonds.**

It is expected that the bonds will be structured as a general obligation of the University, without a specific pledge of tuition or other revenues, as has become customary in the municipal market for higher education institutions. Provided below are the University's projected operating revenues and expenses for the next three (3) fiscal years. These represent "forward-looking statements" and actual results may be different.

| FOR THE YEAR ENDED (projected) (in millions) | | | |
|--|----------------|----------------|----------------|
| | 5/31/18 | 5/31/19 | 5/31/20 |
| OPERATING ACTIVITIES | | | |
| Operating Revenues: | | | |
| Tuition & Fees, Net | \$531.6 | \$547.5 | \$563.9 |
| Other Sources | <u>2,664.1</u> | <u>2,717.4</u> | <u>2,782.6</u> |
| Total Operating Revenues | \$3,195.7 | \$3,264.9 | \$3,346.5 |
| Operating Expenses: | | | |
| Debt Service * | 70.8 | 73.7 | 90.2 |
| Other Expenses | <u>3,107.1</u> | <u>3,169.2</u> | <u>3,232.6</u> |
| Total Operating Expenses | \$3,177.9 | \$3,242.9 | \$3,322.8 |
| Chg in unrestricted new assets from operating activities | \$17.8 | \$22.0 | \$23.8 |

**Note that debt service does not include future new money bonds.*

6. A statement indicating the need for the proposed project.

The University is seeking to issue up to \$250 million (par value) of bonds. Approximately \$200 million (par value) to fund a new approved student housing project through FY2020 and approximately \$50 million (par value) to fund the new approved proton therapy project and working capital, which will allow the University to provide an even higher level of quality educational and medical services. The projects, listed in Attachment 2, are deemed to be of critical importance to achieving the University's mission and have been reviewed by various board committees as required.

7. A timetable that indicates all phases of project development, including financing phase, construction phase, and rent up and occupancy if applicable.

Construction Phase:

| | |
|---|-------------------------|
| Student Housing Village – Phase I | August 2015 – July 2019 |
| Student Housing Village – Phase I Opening | August 2019 |

| | |
|--|----------------------------|
| Proton Therapy System/Facility | March 2018 – February 2020 |
| Proton Therapy System/Facility 1st Patient | March 2020 |

Financing Plan:

| | |
|-----------------------|---------------------|
| Close new money bonds | February/March 2018 |
|-----------------------|---------------------|

8. Provide a project site plan.

See Attachment 3 – Project site plans.

9. Amount requested to be raised by the issuance of the Bonds:

The amount to be raised by the issuance of the bonds is approximately up to \$250 million (par value) of new money bonds.

10. If federal or state subsidy is to be provided, include the form of subsidy and evidence of the award of the subsidy for the development and confirmation thereof.

Not applicable.

Form of subsidy:

11. State method of sale of the bonds: (Check Guidelines for requirements)

| | |
|---------------|-------------------------------|
| <u> X </u> | Publicly sold |
| <u> </u> | Private placement transaction |

12. Attach audited financial statements for the applicant(s) for the preceding five (5) years.

See Attachment 4 – Fiscal 2017 Audited Financial Statement
See Attachment 5 – Fiscal 2016 Audited Financial Statement
See Attachment 6 – Fiscal 2015 Audited Financial Statement
See Attachment 7 – Fiscal 2014 Audited Financial Statement
See Attachment 8 – Fiscal 2013 Audited Financial Statement

Date 12-20-17

University of Miami
(Name of Applicant)

By 

(Signer)

Jacqueline A. Travisano
Executive Vice President for
Business and Finance and COO

GENERAL INFORMATION REGARDING THE UNIVERSITY OF MIAMI

THE UNIVERSITY

Founded in 1925 in Coral Gables, Florida, the University of Miami ("University") is a not-for-profit university providing educational, patient care and research services. The University derives its revenues primarily from tuition and fees, patient care, and direct support from sponsoring organizations and individuals.

The University's mission is to educate and nurture students, to create knowledge, and to provide service to its community and beyond. Committed to excellence and proud of the diversity of the University family, the University strives to develop future leaders of the nation and the world.

The core values that are fundamental to achieving the University mission include an absolute commitment to freedom of inquiry—the freedom to think, to question, to criticize, and to dissent. University faculty will pursue the value of excellence in their research and educational missions with the single-mindedness that only great commitments deserve; striving to provide students with the foundations for ethical citizenship and service to others, a respect for differences among people, and a commitment to high standards of thought and communication. The University's goal is to prepare students for rewarding lifelong careers and will imbue in them a continued and permanent desire for the study of knowledge and the search for truth.

The University offers more than 340 undergraduate, graduate and professional fields of study to more than 17,000 students. The University also has extensive research and healthcare enterprises. Among its facilities, the University operates eleven schools and colleges, three University-owned hospitals, and several research institutes from three campuses and other facilities, most are located in Miami-Dade County, Florida.

PRINCIPAL PROGRAMS AND FACILITIES

Coral Gables Campus

The main campus of the University (the "Coral Gables Campus") is located on an approximately 240 acre site in Coral Gables, Florida. Most undergraduate programs are provided on this campus and the campus contains five residential colleges for undergraduates. In addition, the campus houses the School of Architecture, the College of Arts and Sciences, the School of Business Administration, the School of Communication, the School of Education and Human Development, the College of Engineering, the Graduate School, the School of Law, the Frost School of Music, the School of Nursing and Health Studies, and the Division of Continuing & International Education. The campus contains approximately 120 buildings totaling 4.8 million gross square feet of classroom, laboratory, residential, cultural, student life, and administrative facilities and 1.3 million gross square feet in structured parking.

Medical Campus

Approximately ten miles northeast of the Coral Gables Campus, the University operates a medical campus housing the Leonard M. Miller School of Medicine, three University-owned hospitals that make up the University of Miami Health System ("UHealth"), and a number of clinics and research facilities. The Miller School of Medicine has a clinical faculty of approximately 1,250 and a basic science faculty of 160 members and a student body of 808 medical students, 139 master's student, and 426 PhD students.

Within the medical campus, the University owns and operates three hospitals: University of Miami Hospital ("UM Hospital"), Sylvester Comprehensive Cancer Center ("SCCC"), and Anne Bates Leach Eye Hospital ("ABLEH"). The largest of the three is University of Miami Hospital, a 560-bed acute care facility acquired by the University in December 2007, and previously known as Cedars Medical Center. UM Hospital was previously owned and operated by an HCA, Inc. affiliate, Cedars Healthcare Group Inc. The hospital was

acquired by the University to provide additional capacity for the Miller School of Medicine's expanding programs relating to medical education, research, and patient care. In April 2012, the University of Miami Hospital attained designation as a statutory teaching hospital from the Florida Agency for Health Care Administration.

The other two hospitals owned by the University, also located within the medical campus, include the University of Miami Hospital and Clinics/Sylvester Comprehensive Cancer Center ("UMHC/SCCC") and the Anne Bates Leach Eye Hospital.

UMHC/SCCC specializes in providing outpatient and inpatient services to cancer patients. The hospital portion of the facility contains 40 acute care beds and nearly 6,500 new cancer patients are treated each year. UMHC/SCCC is a member of the Alliance of Dedicated Cancer Centers, comprised of 11 nationally important comprehensive cancer centers. Recognizing the importance of these Centers to cancer treatment and research, Congress authorized, and the Medicare and Medicaid Programs have implemented, a modified cost based reimbursement system which has a net favorable effect on revenues. All 11 Centers are exempt from the inpatient Prospective Payment System and have a "hold harmless" payment floor for services provided under the outpatient Prospective Payment System.

ABLEH is a specialty facility with over 85% of its revenue related to the provision of eye care services. It is the primary site of practice for the faculty-physician members of the University's Department of Ophthalmology (Bascom Palmer Eye Institute), and has been ranked the nation's best for the past 14 years by *U.S. News & World Report*. Its McKnight Vision Research Center is the focus of its scientific, research and research training activities. A new \$25 million, 20,000-square-foot eye care center, opened in Naples on June 30th, 2015. Substantially, all services at ABLEH are provided on an outpatient basis.

Jackson Memorial Hospital ("JMH") has more than 1,550-bed acute care facility that is integrated within the medical campus. JMH is part of the Miami-Dade County's Jackson Health System ("JHS"), which owns and operates JMH and two other public hospitals in Miami-Dade County. JMH serves as one of the primary teaching hospitals for the Miller School of Medicine, and the two institutions jointly run graduate medical education programs (residencies and fellowships) for more than 1,000 trainees and operate under an affiliation agreement as the University of Miami/Jackson Memorial Hospital Medical Center. Under that agreement, although Miami-Dade County and the University each own and operate their respective facilities, the University, its faculty, and its staff act as statutory agents of the County when working in JHS facilities. In 2014, as part of the Miller School of Medicine's effort to bring services out into other areas of Miami-Dade County, the Department of Pediatrics took over management of pediatric services at Jackson North Medical Center and opened a new facility in Deering Plaza, next to Jackson South Community Hospital. In addition, the University of Miami Health System ("UHealth") opened a new 200,000-square-foot ambulatory care center on UM's Coral Gables campus on December 5, 2016, that offers a variety of specialty and subspecialty service, including those of Sylvester Comprehensive Cancer Center and Bascom Palmer Eye Institute.

The Miller School of Medicine has also established a satellite medical campus in Palm Beach County, Florida. This satellite campus is called The University of Miami Miller School of Medicine Regional Medical Campus ("RMC"). Students within the track complete their first two years of medical school in Miami, and complete their remaining two years at the RMC, which has affiliation agreements with many community hospitals as well as the Palm Beach County Department of Health. The program has grown and is now selected by approximately 25% of entering medical students. The RMC is also the site of the first allopathic residency programs in internal medicine and surgery located in Palm Beach County.

Other dual-track programs include MD/PhD, MD/MBA (with the School of Business Administration), MD/JD (with the School of Law), and MD/MS in genomic medicine.

UM physicians are the primary specialty provider to Jackson Memorial Hospital, the largest public hospital in the country. UM physicians also provide many specialty and subspecialty services at the Miami VA Medical Center. Within UHealth, UM physicians provide services at the three University hospitals on the medical campus, multiple offices on the medical campus, and more than a dozen locations throughout Miami-Dade, Broward, Palm Beach, and Collier counties. The physician practice's clinical revenues totaled in excess of \$650 million in 2017. The University of Miami Hospital, which previously had a mixed medical

staff consisting of private and faculty physicians, closed the medical staff to include only employed and voluntary faculty physicians effective October 29th, 2017.

With the appointment of Dean Edward Abraham as Executive Vice President for Health Affairs; CEO of UHealth, and Dean & Chief Clinical Academic Officer, the Miller School of Medicine has undertaken a program of extensive faculty recruitment to expand and strengthen key research and clinical programs. Of particular note are the establishment of the John P. Hussman Institute for Human Genomics and the Interdisciplinary Stem Cell Institute (ISCI), both located on the medical campus. The Institute for Human Genomics carries out programs in basic, translational, and clinical research aimed at bringing the results of the Human Genome Project into the patient clinic environment. The work of ISCI ranges from basic stem cell biology through clinical studies in the realm of regenerative medicine. The ISCI team is the leading center for clinical trials exploring the use of stems cells to facilitate the repair of heart muscle damaged by heart attack, and is expanding its leading edge research programs into other organ systems and novel enhancements of heart failure treatment. The leadership of each Institute was recruited from a major U.S. medical school.

Other noteworthy facilities on the medical campus include the Barton G. Kids Hear Now Cochlear Implant Family Resource Center, located in the Clinical Research Building; the Mailman Center for Child Development; the Lois Pope LIFE Center; The Miami Project to Cure Paralysis; the Batchelor Children's Research Institute; the Debbie Institute; the Center for AIDS Research (CFAR); the Institute for Advanced Pain Medicine; the Center on Aging; the Vascular Biology Institute; the Diabetes Research Institute; the Fox, Gautier, Parkinson, Clinical Research, Sewell, Sieron, Elliot, Edelman and Papanicolaou research buildings; and the Medical Training and Simulation Laboratory. Several are LEED (Leadership in Energy and Environmental Design) certified. The Life Science & Technology Park, the home of U Innovation and located in the Health District, is a hub for biomedical technology, research, and innovation.

The RSMAS Campus

The internationally recognized Rosenstiel School of Marine and Atmospheric Science ("RSMAS") occupies its own 18-acre waterfront campus on Virginia Key on Biscayne Bay, about seven miles northwest of the Coral Gables Campus. The campus comprises 14 buildings totaling over 370,000 gross square feet. Research, classroom, vessel operation and support facilities are located in 10 major buildings. The School operates a state-of-the-art 96-foot-long ocean-going catamaran research vessel, other smaller craft and a Helicopter Observation Platform (HOP) for low to mid altitude in-situ atmospheric monitoring and remote-sensing of the Earth surface. RSMAS has a faculty of over 80 members and a student body of over 400 undergraduate students and approximately 300 graduate students.

Other Facilities

The University also owns and operates the Richmond Facility on a 76-acre site for its Center for Southern Tropical Advanced Remote Sensing ("CSTARS") in southern Miami-Dade County. The facility includes a 20-m antenna for satellite communications and two 11m X-band receiving systems for reception of data from low earth orbiting, earth viewing satellite platforms. RSMAS also operates a marine experimental field station on Broad Key, a 63-acre island located in the Florida Keys.

The libraries at the University include the Otto G. Richter Library and libraries in the Schools of Architecture, Business, Law, Medicine, Music, and Marine & Atmospheric Science, providing access to more than 3.9 million volumes, 114,801 current serials titles, 113,585 electronic journals, 1,031,162 electronic books, over 4 million microforms, and 191,953 audio, film, video, and cartographic materials. The Libraries' expanding digital collections now feature 1,277,749 images and document pages.

ACCREDITATION AND MEMBERSHIPS

The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges ("SACSCOC") to award bachelor's, master's, specialist, and doctoral degrees and is a member of the American Council on Education, the Association of American Colleges and Universities, and the National Association of Independent Colleges and Universities.

The University holds accreditation including the following: ABET Engineering Accreditation Commission, Accreditation Council for Graduate Medical Education ("ACGME"), American Bar Association, American Medical Association and the Association of American Medical Colleges Liaison Committee for Medical Education ("LCME"), Commission on Accreditation of Medical Physics Education Programs, Inc. ("CAMPEP"), American Music Therapy Association ("AMTA"), American Psychological Association, The Association to Advance Collegiate Schools of Business ("AACSB" International), Commission on Accreditation of Athletic Training Education, Commission on Accreditation of Healthcare Management Education, Commission on Accreditation in Physical Therapy Education, Commission on Collegiate Nursing Education, Commission on Dental Accreditation (American Dental Association), Commission on English Language Program Accreditation, Council on Accreditation of Nurse Anesthesia Educational Programs, Council on Education for Public Health, Florida Department of Education, National Architectural Accrediting Board and the National Association of Schools of Music. The College of Arts and Sciences has a chapter of Phi Beta Kappa. The University is also a member of the National Collegiate Athletic Association and the Atlantic Coast Conference.

The UMHC/SCCC and the ABLEH operate under a "Class 3 Special Medical Acute Bed" license from the State of Florida Agency for Healthcare Administration. UM Hospital operates under a "Class 1 Hospital" license. However, on September 1st, 2017, the University filed a request to combine the licenses of UM Hospital and ABLEH hospital under one single license number associated with UMHC/SCCC. The filing was made with an effective date of October 29th, 2017 and was submitted to the regional office of the Center for Medicaid and Medicare Services ("CMS"). At this time, the Agency for Health Care Administration ("ACHA") has approved the request and management is awaiting final approval from CMS within the next few weeks. The University owned hospitals are accredited by the Joint Commission on Accreditation of Healthcare Organizations and are recognized by one or more specialty-focused organizations.

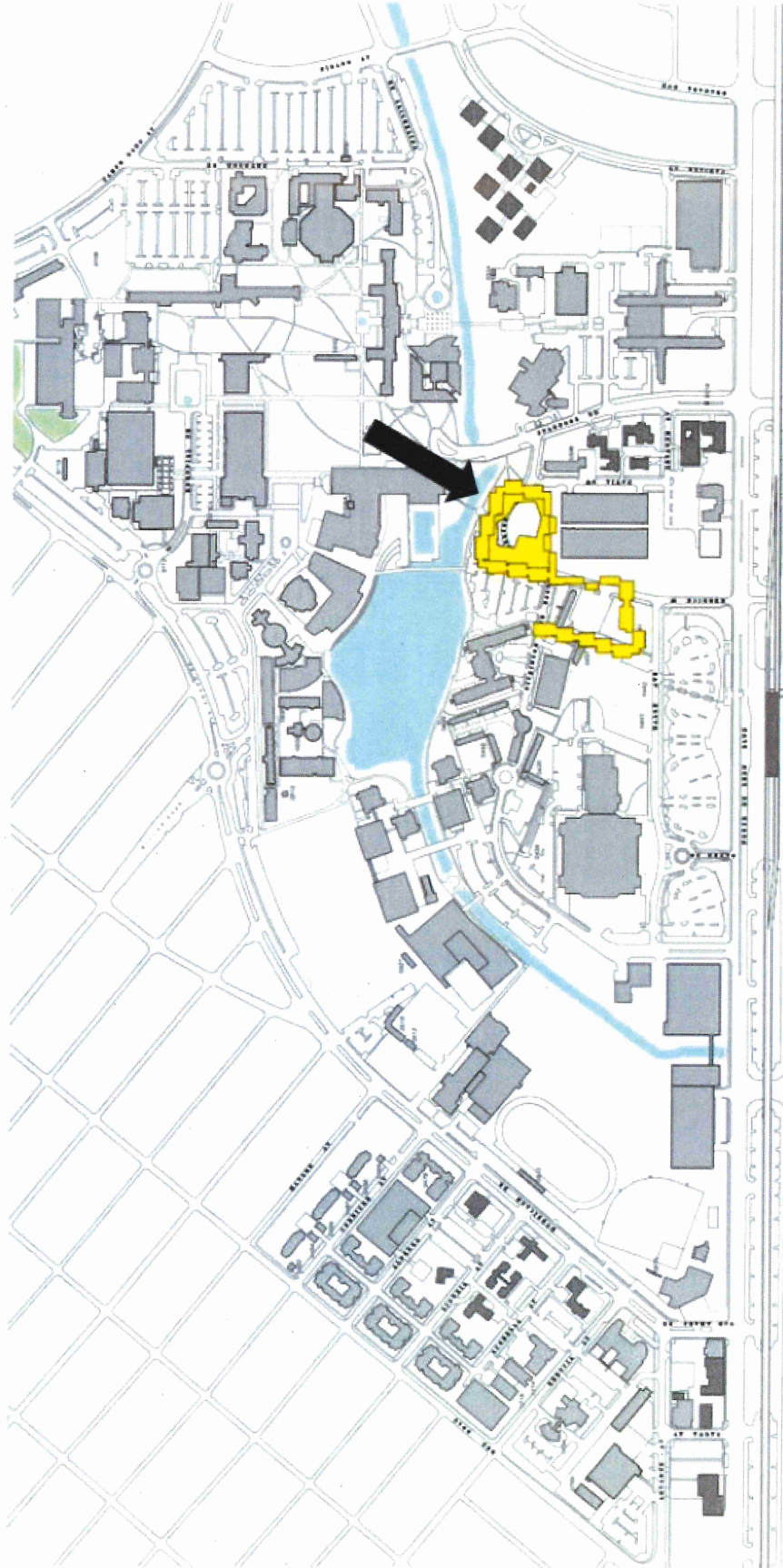
**University of Miami
2018 Financing Plan
Project List**

NEW PROJECTS

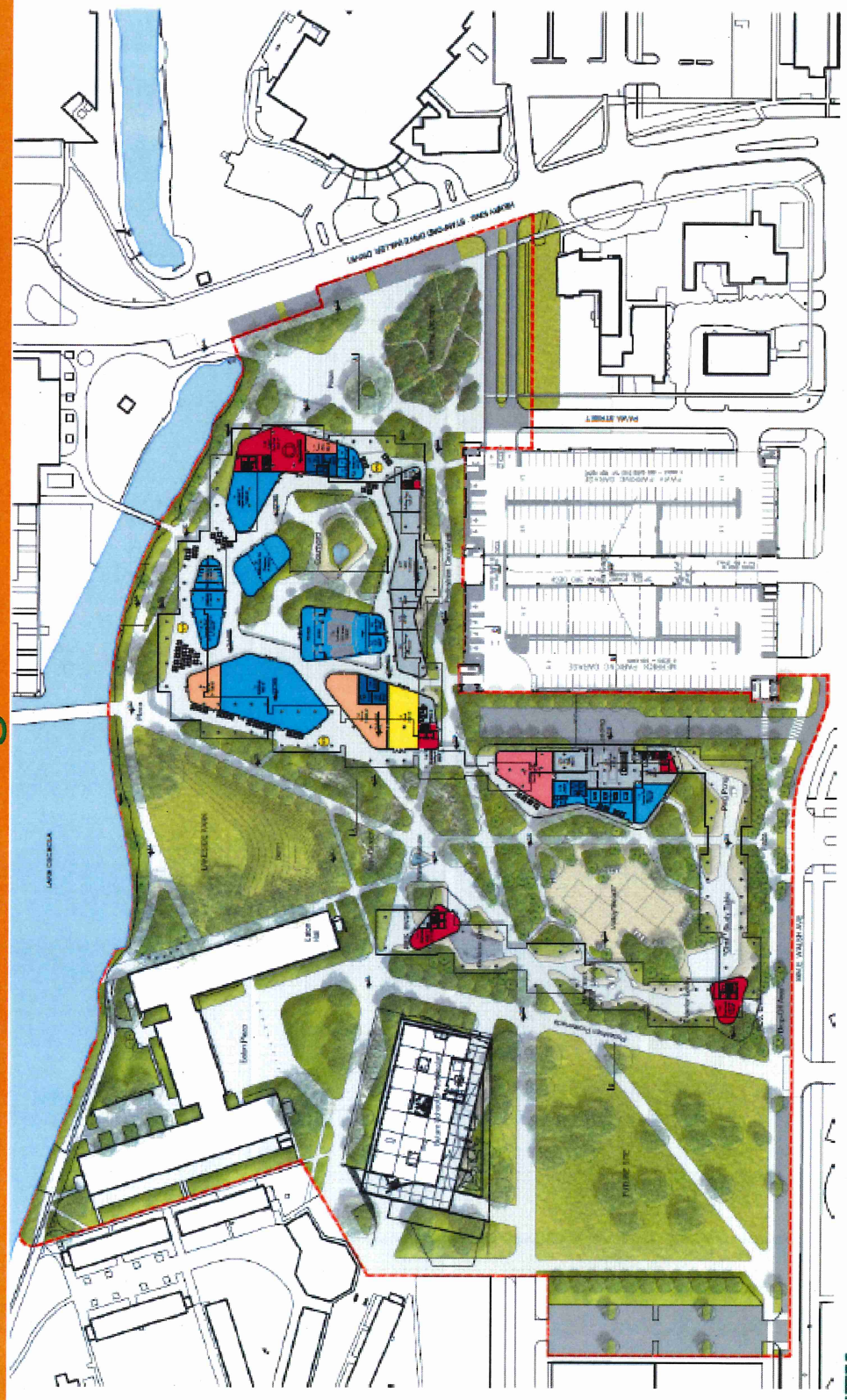
| | |
|-----------------------------------|--------------------------|
| <i>Coral Gables Campus</i> | |
| Student Housing Village – Phase I | \$ 200,000,000.00 |
| <i>Medical Campus</i> | |
| Proton Therapy project | 40,000,000.00 |
| <i>Working Capital</i> | <u>10,000,000.00</u> |
| Total Projects (Par Value) | \$ 250,000,000.00 |

NOTE: *Preliminary estimates of projects.*

Student Housing Phase I - Campus Location



Student Housing Phase I - Site Plan



Sylvester West Proton - Campus Location

- The Proton Therapy Center project site is located at the intersection of NW 12th Avenue and NW 14th Street.
- The site is at the northwestern edge of the UMH complex.

